



SENATE PCS 27: Involuntary Annexation Moratorium

2011-2012 General Assembly

Committee:	Senate Finance	Date:	February 28, 2011
Introduced by:	Sens. Brock, Newton, Goolsby	Prepared by:	Cindy Avrette
Analysis of:	PCS to Second Edition S27-CSRBx-8		Committee Counsel

SUMMARY: *Senate Bill 27 would place a moratorium on involuntary municipal annexations until July 30, 2012. Senate Finance first heard this bill at its meeting last Tuesday, February 22nd. At that meeting, the Committee adopted an amendment that would have allowed an exception to the moratorium for an annexation that met five restrictive requirements:*

- *The ordinance of annexation was adopted before the effective date of the act.*
- *The ordinance of annexation was preceded by the adoption of a resolution of consideration.*
- *No legal challenge to the ordinance of annexation has been filed.*
- *The time allowed for filing a legal challenge to the ordinance of annexation has expired.*
- *The municipality has incurred or contracted to incur expenditures in excess of \$5 million in connection with annexation as of the effective date of the act.*

The proposed committee substitute would remove the amendment adopted by the Finance Committee last week and restore the bill to its original provisions, with no exceptions to the moratorium. At least 27 municipalities have an annexation pending, in some form, at this time.

CURRENT LAW: Under current State law, municipalities are authorized to involuntarily add territory to their municipal limits, if the area meets the statutory requirements for involuntary annexation.

Involuntary annexations are initiated by a resolution of intent, adopted by the municipal board. Involuntary annexations may also be initiated by an earlier and optional resolution of consideration, which allows the annexation ordinance to become effective earlier.

Once the municipal resolution of intent to annex is adopted, the statutes impose a timetable for the remaining steps prior to the adoption of an annexation ordinance. Once the annexation ordinance is adopted, there is an additional statutory time period prior to it becoming effective.

BILL ANALYSIS: Senate Bill 27 makes the following changes:

Section 1:

- Prohibits municipal adoption of an involuntary annexation resolution of consideration, resolution of intent, or annexation ordinance for cities of less than 5,000 (Part 2 of Article 4A of Chapter 160A) or by cities of 5,000 or more (Part 3 of Article 4A of Chapter 160A).
- Tolls (suspends) any action or notice required for any involuntary annexation ordinance that has been initiated, but not yet adopted.
- Allow municipalities to continue to develop policies, plan, collect data, or develop materials for potential future annexations.

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Section 2:

- Provides that any involuntary annexation ordinance adopted prior to the effective date of this act with an effective date on or after the effective date of this act shall not become effective until July 1, 2012, or a later date adopted by the municipality.
- Provides that an annexation ordinance adopted prior to the effective date of this act that is the subject of litigation in any court on the effective date of this act shall not become effective until July 1, 2012, or a later date adopted by the municipality.

Section 3:

- Stays (suspends) any pending involuntary annexation litigation.

Section 4:

- Provides that a municipality may amend its budget ordinance to account for the effect of this act, including establishment of a different tax rate.

Section 5:

- Contains a severability clause.

EFFECTIVE DATE: Effective when it becomes law, expires June 30, 2012.

S27-SMRB-9(CSRBx-8) v1